



CITY COUNCIL

CITY AND COUNTY OF HONOLULU

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FOR IMMEDIATE RELEASE

June 5, 2005

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COUNCILMEMBER DJOU - RECORD INCREASE IN CITY BUDGET WILL LEAD TO EVEN HIGHER TAXES, DRAINING AVERAGE FAMILY'S WALLET BY ADDITIONAL \$1,000!

Tomorrow the City Council is expected pass the largest budget in the history of the City of Honolulu. Sewer fees and the vehicle weight tax are among those fees that will increase dramatically. Councilmember Charles K. Djou (Waikiki, East Honolulu) continues to fight to hold down taxes and spending, concerned about the impact that the exorbitant budget increases will have on already struggling families.

Councilmember Djou stated, "These massive spending increases today will result in even higher tax increases tomorrow. It puts off the tough choices needed to solve Honolulu's fiscal crisis. The City budget will damage our local economy and will hurt families and businesses throughout Oahu. I have stressed that responsible stewardship of taxpayer money begins with a willingness to actually hold down government spending.

"I cannot, in good conscience, support a budget that includes massive government spending increases that lead to massive tax increases. It's the wrong thing to do for the people of Honolulu." To help impose fiscal discipline in the future, Djou has proposed spending and debt ceilings for City government, similar to what the State and Federal government have adopted. To date, Djou's proposal is stuck in committee.

Exhibit A attached to this press release shows a list of the various fees and taxes to be increased, with a breakdown of how it will impact the wallet of an average family of four. Exhibit B shows taxes and fees that have increased since 2003.

Exhibit A

Various City fees and taxes to be increased, with a breakdown of how it will impact the wallet of an average family of four:

- **Higher** Vehicle Weight Taxes: Additional \$60, based on 2 midsize vehicles.
- **Higher** Sewer Fees, base charge: Additional \$75 per year, not including increase in per gallon charges.
- **Higher** ticket fee for event at Blaisdell or Waikiki Shell: Additional \$20 per year, should a family of four attend one event at either venue assuming the promoter passes on the increased rental fee to the ticket fees.
- **Higher** General Excise Taxes: Additional \$450 cost for the average family of four.
- **Higher** Property Taxes: Additional \$491, based on a 2B/1B Kaimuki home valued at \$539,000. Despite no change in the actual RPT rate, due to the overall increase in the City budget, Oahu taxpayers will likely face increased property assessments to generate the additional revenue imposed, potentially at a rate up to 31.5 % more than the previous year's assessment.

TOTAL of all taxes: \$1,096

Exhibit B

List of taxes and fees that have increased just in the last two years:

Year of increase	Fee or Tax Increase	Percentage of increase
2004	Real Property Tax Rate – Improved Residential	19.7%
2004	Real Property Tax Rate – Apartment	22.9%
2004	Real Property Tax Rate – Hotel/Resort	7.2%
2004	Real Property Tax Rate – Commercial	5.9%
2004	Real Property Tax Rate – Industrial	13%
2004	Parking Fees – Meters	50%
2004	Parking Fees – Attendant (repealed in Oct 2004)	50%
2004	Tipping Fees at H-Power, Transfer Stations and Landfills	12.1%
2003	Vehicle Weight Tax – Passenger Vehicle	60%
2003	Vehicle Weight Tax – Commercial Vehicle	25%
2003	Real Property Tax Rate – Improved Residential	13.1%
2003	Real Property Tax Rate – Unimproved Residential	6.5%
2003	Real Property Tax Rate – Apartment	8%
2003	Real Property Tax Rate – Hotel/Resort	5.4%
2003	Real Property Tax Rate – Commercial	14.3%
2003	Real Property Tax Rate – Industrial	11.9%
2003	Real Property Tax Rate – Agriculture	1.3%
2003	Real Property Tax Rate – Preservation	6.7%
2003	Bus Fare – Adult Cash	17%
2003	Bus Fare – Adult Cash (2 nd increase in 2003)	14%
2003	Bus Fare – Adult Monthly Pass	11%
2003	Bus Fare – Adult Monthly Pass (2 nd increase in 2003)	33%
2003	Bus Fare – 4-Day Pass	33%
2003	Bus Fare – Senior Citizen Cash	33%
2003	Bus Fare – Disabled Cash	33%
2003	Bus Fare – Youth Monthly Pass	48%
2003	Hanauma Bay Admission	66.6%
2003	Wastewater System Facility Charge	305%
2003	DPP Permit Fees, Construction Permits	Various
2003	Highway Beautification Fund Fee	33%
2003	Spaying/Neutering Animals – Female Dog	159%
2003	Spaying/Neutering Animals – Female Cat	72%
2003	Spaying/Neutering Animals – Male Dog	178%
2003	Spaying/Neutering Animals – Male Cat	122%

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